GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:2437
ANSWERED ON:27.08.2012
HIGHWAY PROJECTS
Das Shri Bhakta Charan

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether it is true that one of the biggest problems in completing highways/road projects on time is that the project costs estimated by the industry and the National Highways Authority of India (NHAI) are different and this creates problems in financial closures;

(b) if so, the action taken by the Government to resolve this problem;

(c) whether most high-profile projects have been awarded earlier, and not many attractive projects are in the pipeline;

(d) if so, the details of new projects being planned by the Government to revive the pace of road construction in the country;

(e) the manner in which the Government will achieve the 9,500-km target, in view of the feasibility reports of many projects still awaited; and

(f) the steps taken by the Government to address the issue of land acquisition as well as other industry concerns such as large sums locked due to disputes?

Answer

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT and HIGHWAYS (SHRI JITIN PRASADA)

(a) to (b) Variation in cost estimate does not affect financial closure. Project cost are estimated on Build-Operate-Transfer (BOT) basis by the National Highways Authority of India (NHAI) on the basis of the feasibility report and concessionaire prepares project cost on the basis of detailed engineering design leaving scope for possible variations. This is considered normal and NHAI or the Government has no role to play in this regard.

(c) to (d) Many projects bid out last year have earned premium. Projects are implemented as per approved National Highways Development Project (NHDP) work programme for the financial years which are designed on high traffic volume and viability. Projects that are not viable on BOT

(Toll) basis could be implemented on BOT (Annuity) basis. Projects that are not viable on either BOT (Toll) or BOT (Annuity) could be implemented through Engineering, Procurement and Construction (EPC) contracts.

(e) to (f) Government has taken a number of steps to ensure that targets are achieved. Government has also taken a number of steps to minimise procedural bottlenecks and delays. Special Land Acquisition Units (SLAUs) have been set up at State level for new stretches of national highways across the country. Ministry of Road Transport and Highways has taken up the matter with all the State Governments emphasizing the need to streamline the process of land acquisition and utility shifting etc, by constituting high level committees under the Chairmanship of the Chief Secretary of the respective States. A Committee of Secretaries has also been constituted under Cabinet Secretary to address inter-ministerial and Centre-State issues such as land acquisition, utility shifting, environment approvals, and clearance of Railways Over Bridges

(ROBs). Apart from the above, Confederation of Indian Industry (CII) −Ministry of Road Transport and Highways (MoRTH) Joint Task Force on Roads & Highways also meets regularly to find out ways to resolve procedural bottlenecks and delays. Similarly, regular interactions are held with the representatives of prominent contractors, developers and financial institutions to address and resolve their concerns. Within the Government, meetings are held at the highest levels to simplify and rationalize procedures. The monitoring of all such issues is a regular exercise undertaken at various levels.